



OFFICE OF THE GOVERNOR  
HAGÁTÑA, GUAM 96910  
U.S.A.

**EXECUTIVE ORDER NO. 2007-02**

**RELATIVE TO ESTABLISHING GUIDELINES FOR THE FISCAL  
MANAGEMENT OF DEPARTMENTS AND AGENCIES AND TO  
MAXIMIZE ALL AVAILABLE RESOURCES**

**WHEREAS**, the Government of Guam faces serious financial challenges that have resulted from structural changes to the executive budget and lower than anticipated revenue collections; and

**WHEREAS**, these changes have resulted in an erosion of the administration's ability to fully and adequately manage the cash requirements of government agencies resulting in the continual operational and cash deficit within the Government of Guam; and

**WHEREAS**, bringing fiscal integrity and stability to the Government of Guam remains one of the most important responsibilities facing our government and our island; and

**WHEREAS**, certain actions are required to stabilize the government's financial situation; and

**WHEREAS**, in spite of the cash position of the government of Guam, the Public Auditor's report indicated that in Fiscal Year 2005 "Line entities did not spend their budget appropriations by \$11.1 million. Were it not for these holdbacks, the deficit would have increased by a similar amount;" and

**WHEREAS**, in Fiscal Year 2006 un-audited numbers reflect an overall decrease in General Fund expenditures by over \$12.2 million over Fiscal Year 2005 General Fund expenditures, due in large part to the fiscal discipline instilled in the line agencies under the direct allotment control of the Governor; and

**WHEREAS**, even as line agencies realized a reduction in costs of \$12.2 million, Fiscal Year 2006 un-audited General Fund numbers reflect increases in expenditures for the Guam Public School System by \$5.7 million, Medically Indigent Program/Medicaid programs by \$6.8 million, and Public Safety Agencies (Guam Police Department, Department of Corrections, and Guam Fire Department) by \$3.4 million over Fiscal Year 2005;; and

**WHEREAS**, these increase reflect the administration's commitment to the three critical areas of education, health and public safety;

**WHEREAS**, despite the overall reduction in General Fund expenditures, the reduction in government of Guam employment by more than 800 employees, and the continued funding increases to priority areas of education, health and safety; and

**WHEREAS**, it is always essential that cost-containment measures be reviewed and improved upon, and the maximization of resources be realized by all executive agencies; and



- A. The travel is essential to the conduct of pending important government business. (This includes accompanying patients or inmates to off-island institutions); or
- B. The travel will result in securing additional revenues to the Guam, achieve current or future cost-savings for government operations; programs or relate to the agency's priority work program activities; or
- C. The travel is required pursuant to existing contracts, public law, rule or federal program; or
- D. The travel is paid from a federal grant;

### III. OVERTIME AND NIGHT DIFFERENTIAL PAY:

All Executive branch agencies, departments, bureaus and other instrumentalities shall minimize the scheduling of employees to reduce the accrual of overtime or night differential payment. Payment for overtime or night differential shall be made only if claims are documented and presented within two (2) weeks of work. Each Executive branch agency, department, bureau and other instrumentality shall adopt an overtime plan for approval by BBMR. The first plan is due no later than two weeks from the promulgation of this executive order with any future plans or amendments to be approved by BBMR. Overtime should be a management tool of last resort.

### IV. CONTRACTS:

All contracts with the Executive branch shall be approved by the BBMR. All contracts for BBMR's approval shall be submitted to BBMR at least thirty (30) days prior to its effective date. Further, each agency must certify the contract complies with all laws and regulations. After BBMR approval, such contract shall be submitted to the Attorney General for approval as to form and legality.

- A. Office Space: All Executive branch contracts or renewals for office space shall be approved only if:
  - 1. adequate space is not available in any public building; and
  - 2. the space requested is the minimum space required; and
  - 3. the lowest responsible bidder has been selected; and
  - 4. funding is available for the entire length of the contract; and
  - 5. the space is ADA compliant.
- B. Procurement: All Executive branch agencies, departments, bureaus, and other instrumentalities shall submit each procurement contract for approval by the BBMR. Such contracts shall be accompanied by:
  - 1. a copy of the bid specifications; and
  - 2. a copy of the prior year's agreement, if a renewal; and
  - 3. evidence of funding to meet the obligations; and
  - 4. justification showing that procurement from the supplier is the most cost-effective means.
- C. Off-Island Recruitment and Consultant Contracts: Prior to recruitment, all off-island recruitment shall be approved by the BBMR. All off-island recruitment and consultant contracts shall be approved by the BBMR. Such contracts



**WHEREAS**, it is vital that all executive agencies exercise budget and fiscal discipline in the expenditure of public funds.

**NOW, THEREFORE, I FELIX P. CAMACHO**, I Maga'láhen Guåhan, Governor of Guam, by virtue of the authority vested in me by the Organic Act of Guam, as amended, do hereby order:

**I. PERSONNEL ACTIONS:**

A. **Filling Vacancies:** All executive agencies desiring to fill a vacant position or create a new position shall submit a recruitment request to the Bureau of Budget and Management Research ("BBMR") for approval to ensure that only positions essential to public health, safety and welfare or vital to government operations are filled. Any action taken in violation of this Executive Order shall be null and void. Approval of filling any vacancy or a new position may be granted if:

- (1) the position is critical to the agency's operation and failure to fill such a position will result in the program or agency's inability to fulfill major agency objectives; or
- (2) the position is vital for the provision of essential government functions directly related to public health, safety or welfare; or
- (3) the position is fully funded by the federal government and approved in the grant application as evidenced in writing by the appropriate federal official; or
- (4) the position is essential to the collection of revenue; or
- (5) the position is mandated by local or federal law or a contract; or
- (6) the position is necessary to reduce personnel or operational costs such as the accrual of overtime.

B. **Promotions:** Any promotion or position upgrading by any executive agency may be approved by the BBMR only if the guidelines established in Paragraph A are met.

C. The Director of BBMR shall have the authority to detail employees within and between Executive branch programs and departments to include General Fund, Federal and Special funded programs consistent with the Personnel Rules and Regulations, applicable statutes, guidelines, and terms and conditions of federal grant awards.

**II. TRAVEL REQUESTS:**

All Executive branch travel requests shall be subject to the BBMR's final approval. All air travel taken by persons authorized as provided by statute to travel at government expense while on official business shall be at the lowest fare possible. Unless otherwise justified, no more than one traveler shall attend the same seminar or training session. All travel requests shall be submitted to the BBMR for review at least fifteen (15) working days prior to the commencement date of travel. The guidelines for approving travel shall be:



shall comply with laws and regulations. The agency, department, bureau and other instrumentality shall submit proof that the funding for the contract is available throughout the entire contract period.

- D. Services and All Others: Executive agencies seeking contractual arrangements shall submit proposals to the BBMR for approval. The proposals shall indicate:
1. the agency's inability to perform the services sought in-house; and
  2. cost-savings assessment; and
  3. that funding is available for the entire contractual period.

V. AUTHORIZATION TO RELEASE CERTAIN FUNDS:

The Director of the BBMR shall release appropriated funds to government of Guam entities upon compliance with the requirements set forth in this executive order.

VI. MONITORING FOR NON-GENERAL FUND ENTITIES:

All Executive branch agencies, departments, bureaus and other instrumentalities, regardless of funding, shall submit quarterly cash flow statements, financial statements and staffing patterns to the BBMR. Such agencies, departments, bureaus and other instrumentalities shall also submit copies of their current fiscal year budgets, and all other financial statements required by BBMR to the BBMR

VII. IMPLEMENTATION DATE:

Full implementation of the above provisions shall take effect no later than April 1, 2007.

SIGNED AND PROMULGATED at Hagåtña, Guam this 23 day of February, 2007.

FELIX P. CAMACHO  
*I Maga' Låhen Guåhan*  
Governor of Guam

COUNTERSIGNED:

MICHAEL W. CRUZ, M.D.  
*I Segundu Maga' Låhen Guåhan*  
Lieutenant Governor of Guam

